HIGH COST OF LITIGATION

3206. SHRI V. HANUMANTHA RAO: Will the PRIME MINISTER be pleased to state:

(a) whether Government are aware of the extremely high cost of litigation in the Supreme Court and High Courts;

(b) if so, what proposals are under consideration to reduce fees or costs of hiring competent counsel in the High Court and the Supreme Court;

(c) whether any survey has been made of the problems of litigants in waging their litigation in the Supreme Court; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. BHARDWAJ): (a) and (b) A meeting of the Chief Ministers and Chief Justices was held in December, 1993 to consider the problem of arrears of cases in courts and to find out ways and means to deal with it as expeditiously as possible. The Chief Ministers and the Chief Justices agreed among other things that inordinate concentration of work in the hands of some members of the Bar had contributed to the accumulation of arrears especially in the Supreme Court and the High Courts. They considered that this led, among other things, to the mounting cost of litigation. They were of the opinion that the Bar Council of India, in consultation with the Bar Councils of various States, should address itself to this problem and make appropriate recommendations. It was felt that the leaders of the Bar should be invited by the Bar Council to participate in the enunciation of any recommendation that might be made in this regard.

(c) No, Sir.

(d) Does not arise.

CONVERSION OF RESERVED CONSTITUENCY INTO GENERAL AREA

3207. SHRI MOHD. MASUD KHAN: Will the PRIME MINISTER be pleased to state whether it is a fact that it was decided by the Election Commission some time back to convert those Parliamentary and Legislative Assembly Constituencies which had been reserved constituencies for more than ten years into general ones?

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. BHARDWAJ): No, Sir.

IRREGULARITIES FOUND IN THE COST AUDIT REPORTS

3208. PROF. I. G. SANADI: Will the PRIME MINISTER be pleased to state:

(a) what are the details of cases where irregularities in the figures given in the cost audit reports have been detected during the last three years;

(b) what were the details of these irregularities and what action was taken against the concerned companies for the irregularities under the Companies Act;

(c) whether it is a fact that none of the companies has been punished so far for violating cost accounting and cost-audit report rules and for committing irregularities; and

(d) if so, whether the functioning of cost audit is proposed to be reviewed and revamped?

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. BHARDWAJ): (a) and (b) The Cost Audit Reports received during the last three years have been reviewed in terms of requirements of the Companies Act, 1956 and Cost Audit (Report) Rules, 1968. A copy of each Cost Audit Report has also been made available to the concerned Administrative Ministries for taking necessary action at their end. The findings of the review of Cost Audit Reports include cases of disproportionate increase in prices,

under-utilisation of capacity, inefficiency in the usage of raw materials, deficiency in the main enance of Cost Records, inaccuracies in the reported cost data etc. These issues have been taken up in each case either with the Cost Auditor or the company or the concerned Administrative Ministry as the case may be.

(c) and (d) The cases of non-compliance with the provisions of the various Cost Accounting (Records) Rules, the Cost Audit (Report) Rules and the Companies Act, 1956 in respect of matters relating to Cost Audit are dealt with in accordance with the provisions contained in the said Rules/ Act. There is no proposal to review or revamp the functioning of Cost Audit at present.

COMMITTEE ON ELECTORAL REFORMS

3209. SHRI V. HANUMANTHA RAO : Will the PRIME MINISTER be pleased to state :

(a) whether Government propose to constitute a new Committee on Electoral Reforms ;

(b) whether it is a fact that the Committee constituted for this purpose in 1990 has not come up with new suggestions on De-limitation and rotation ;

(c) the steps proposed in this regard ;

(d) whether the huge increase in population has led to un-even strength of Legislative and Parliamentary Constituencies ; and

(e) the steps proposed to tackle this problem ?

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. BHARDWAJ) : (a) No, Sir.

(b) No, Sir.

(d) Yes, Sir.

(c) and (e) The Constitution (Seventy-first Amendment) Bill, 1990 which was passed by the Rajya Sabha on 29th April, 1992 and is pending consideration in the Lok Sabha provides for delimitation of constituencies on the basis of 1991 census without affecting the total number of seats allocated to various States on the basis of 1971 census.

INCAB INDUSTRIES LIMITED

3210. SHRI GAYA SINGH : Will the PRIME MINISTER be pleased to state :

(a) whether Government have in a preliminary investigation report indicated the Incab Industries Limited, a Calcutta based cable manufacturing company on several counts of serious financial mismanagement and misappropriation of funds ;

(b) if so, the details thereof ;

(c) whether the members of enquiry committee have recommended either a deeper probe into the financial irregularities under section 234 and 237 of the Companies Act or alternatively examine the feasibility of nominating Government Directors on the Board ;

(d) if so, the decision taken/proposed to be taken in this regard ; and

(e) whether the Board of Directors of Incab Industries Limited has approved the revival scheme consisting of a package worth about Rs. 42 crores and requested the banks to convert accumulated interest of about Rs. 15 crores into long-term working capital loan ; if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. BHARDWAJ) : (a) and (b) The Government had ordered inspection of M/s. Incab Industries Limited under Section 209A of the Companies Act, 1956. The Inspection Report points out the following :—